

FISCAL NOTE

SB 2258 - HB 2547

February 15, 2002

SUMMARY OF BILL: Prohibits an HMO from rescinding or modifying a prior authorization given for medical services after the services have been performed. The prohibition includes TennCare MCOs. Allows an HMO to deny payments to a medical service provider if the payments requested by the provider were the result of the provider's misrepresentation or fraud. Allows an HMO to demand payment from TennCare if the Bureau of TennCare informs the HMO that a patient is eligible for TennCare benefits and the HMO relied on such information in authorizing services. TennCare would not be liable in cases of fraud, death or error by the HMO. Does not apply to ERISA self-insured plans.

ESTIMATED FISCAL IMPACT:

MINIMAL

The TennCare contract prohibits rescinding authorizations for services. The contract also stipulates that TennCare does not rescind eligibility decisions except in cases of fraud or enrollee death.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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